

11-18-09

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

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PUBLIC UTILITIES
COMMISSION

----- In the Matter of -----) PUC Docket No. 2008-0273
)
PUBLIC UTILITIES COMMISSION)
)
Instituting a Proceeding to Investigate the)
Implementation of Feed-in Tariffs)
_____)

HAWAII RENEWABLE ENERGY ALLIANCE'S COMMENTS

ON THE

INDEPENDENT OBERVER LIST

FILED BY THE HECO COMPANIES

AND

CERTIFICATE OF SERVICE

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In accordance with schedule for the instant docket as amended and approved by the Commission in its Decision and Order, dated October 29, 2009, the Hawaii Renewable Energy Alliance ("HREA") respectfully submits its comments on the Independent Observer List filed by the HECO Companies on November 13, 2009.

HREA offers the following comments for incorporation by the HECO Companies on the proposed candidates for Independent Observer ("IO") and the scope of work for the IO.

Comments on the Proposed Candidates for Independent Observer

1. General. HREA does not object to any of the proposed IO candidates. In reviewing the attached letters of interest and statement of qualifications from the proposed IO candidates, HREA notes that the candidates all appear to be senior individuals and/or companies with impressive professional qualifications and credentials in utility and/or regulatory matters. In the information provided, HREA notes that general experience is provided on the candidates and relevant experience in some cases. While there is certainly enough information provided to justify consideration of each of the proposed candidates, HREA was also seeking information on actual performance in terms of the success rate for selection and award of renewable projects, resolution of any disputes during the procurement process, and actual project implementation. We trust these factors, along with the ability of the FiT IO to coordinate with other IOs, such as on competitive bidding process, will be included in the evaluation and selection process.

2. Specific. HREA offers the following comments on the information provided for each of the proposed candidates.
- a. Mr. Carl Freedman. HREA understands that Mr. Carl Freedman has indicated that he will not be available during the period anticipated by the HECO Companies that would be required for fulfilling the IO's scope of work. We also note that the May 7, 2007 letter from Mr. Freedman, attached to the HECO Companies' filing, indicates interest in and qualifications for the Competitive Bidding IO position. Thus, should Mr. Freedman still be considered by the HECO Companies, HREA suggests that Mr. Freedman provide a letter indicating his qualifications for the FiT IO position.
 - b. Mr. Mathew Kahal. Mr. Kahal appears to have significant experience in utility power plant acquisitions, including review of competitive procurements for various regulatory entities. However, Mr. Kahal's submittal does not indicate any specific experience as an IO or knowledge of queuing processes relative to FiTs.
 - c. Mr. Barry Sheingold. Mr. Sheingold appears to have significant experience in the design and structuring of competitive procurements and oversight of competitive procurements, as well as a broad range of experience in related utility and regulatory matters. This experience, including that of his colleagues Mssrs. Donald McCauley and Richard Gross, includes renewable energy. However, Mr. Sheingold's does not indicate any experience or any knowledge relative to FiT queuing processes or his current position as the Competitive Bidding IO for HECO. With regard to the latter, we are wondering whether Mr. Sheingold would be available to serve as the IO for both the Competitive Bidding and FiT processes.

- d. Accion Group (Mssrs Alan Kessler and Harry Judd). The Accion Group appears to have significant experience as consultants to the utility industry, and their submittal indicates "Independent Evaluation – Power Supply," including renewables. Their submittal references specific experience in "rate and tariff designs," "queuing of available resources," and "dispute resolution." Experience in Hawaii is indicated in two areas (Chart 1, pg. 2 of their submittal), including, presumably RFPs for "20 – 25 MW" and "Inter Island Transmission." However, no details relating to this experience were provided. Details were provided for their roles as Independent Evaluators for the Georgia Public Service Commission and Portland General Electric and as an Independent Monitor for the Tuscon Electric Power Company. Finally, professional summaries were provided for key Accion Group individuals, including two that are proposed for the FiT IO Mssrs. Alan Kessler and Harry Judd.

Comments on the IO's Scope of Work

While not specifically required in the Commission's Interim Decision & Order, HREA recommends that the HECO Companies consider expanding the IO's Scope of work to include oversight of the tariff design and rate setting process and development of reliability standards. We believe these additions to the Scope of Work would help facilitate the overall FiT design and implementation process.

DATED: November 18, 2009, Honolulu, Hawaii

A handwritten signature in black ink, appearing to read "David A. Bolger", is written over a horizontal line.

CERTIFICATE OF SERVICE

The foregoing HREA Comments were served on the date of filing by Hand Delivery or by email to each such Party as follows.

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DATED: Honolulu, Hawaii, November 18, 2009